GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1310
ANSWERED ON:26.11.2007
NTC MILLS UNDER JOINT VENTURE
Rawale Shri Mohan

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government has decided to run some mills of National Textiles Corporation on a joint venture basis;

(b) if so, the details thereof alongwith the name of the partners finalized by the Government;

(c) the terms and conditions envisaged in the proposed joint venture;

(d) the percentage share to be held by the Government and the private entrepreneurs respectively; and

(e) the extent and value of land held by the National Textile Corporation mills proposed to be run under the joint venture alongwith the condition for the value determination?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a) & (b): Government has decided to run some of the mills of National Textile Corporation (NTC) through joint venture route. The proposal for Joint Venture has been approved by the Board for Industrial and Financial Reconstruction (BIFR) and Group of Ministers (GOM) as a part of the Revival Scheme for NTC. The details of mills to be modernized under the JV route are given at Annexure-I. Private partners to run five of these mills have been finalized as per details given in Annexure-II.

(c),(d) &(e): As per broad terms and conditions for joint venture, the private partners will hold 49% share as against of 51% share held by NTC. Modified Voluntary Retirement Scheme (MVRS) will be offered to all the employees of these mills and willing employees will be given retirement under this scheme. The JV company will offer employment to the existing employees on 1st priority basis at the fresh employment terms, in case any employee is willing to join new company.

The Board of Directors of the JV Companies will have 5 Directors from NTC and 3 from the JV partner, while the Chief Executive Officer (CEO) will be the nominee of the JV partner, but he will not have voting rights in the Board. The entire land of the mills will be offered to JV Companies with a right to use of the land and assets, preferably for textile related activities apart from the main textile unit, initially for a period of 33 years. The private partner of the JV will make the entire investment for the modernization of the mills as well as give upfront payment to NTC for relinquishing its 49% shareholding. The land and assets offered for running of the mill will constitute NTC`s 51% share. However, the ownership of land will continue to vest with NTC. The details of extent and value of land held by the five NTC mills for which private partners have been finalized are given in Annexure-III.

DETAILS OF NTC MILLS TO BE MODERNISED THROUGH J.V. ROUTE

Annexure-I

S.No.	Name of State	Name of the mills	Location
1	2	3	4
	ANDHRA PRADESH		
1		Tirupathi Mills	RENIGUNTA
	KERALA		
2		Parvathi Mills	QUILON

MAHARASHTRA		
3	Indu Mills No.1	MUMBAI
4	R.B.B.A Mills	HINGANGHAT
5	Savatram, Akola	AKOLA
6	Apollo Mills	MUMBAI
7	Dhule Mills	DHULE
8	Nanded Mills	NANDED
9	Gold Mohur Mills	MUMBAI
10	New City Mills	MUMBAI
11	Aurangabad Mills	AURANGABAD
12	Chalisgaon Mills	CHALISGAON
UTTAR PRADESH		
13	Swadeshi Mills, Mau	MAUNATHBHANJAN
ORISSA		
14	Orrisa Cotton Mills	BHAGATPUR
15 WEST BENGAL	Laxmi Narayan	RISHRA
16	Sodepore Mills	SODEPUR
TAMILNADU		
17	Sri Sarda Mills	COIMBATORE
18	Coimbatore Spg. & Wvg. Mills	COIMBATORE

Annexure-II

Private partners finalized to run five NTC mills in joint venture

Name of the mill	Private partners identified
India United Mill No.1	Bhaskar Industries Ltd. (consortium)
New City of Bombay Mfg. Mills	M/s Alok Industries Limited
Aurangabad Textile Mills	M/s Alok Industries Limited
Goldmohur Textile Mills	M/s Pantaloon Retail (India) Ltd. (consortium)
Apollo Textile Mills	M/s Pantaloon Retail (India) Ltd. (consortium)

Annexure-III

Details of extent and value of land held by the five NTC mills for which private partners have been finalized

Sl.No.	Name of the Unit	Total avai- lable area as per RFP (Rs. Crores) (In Acres)	Book value As per assets Balance as Sheet per valuation report taking into a/c DCR58(2) read with DCR 58(1) (Rs. Crores)#
1	India United No.1	21.28	2.83 321.92
2	New City of Bombay	6.70	0.01 128.71
3	Aurangabad Textile Mills	26.38	0.0001 101.59
4	Gold Mohur Textile Mills	7.05	0.01 78.80
5	Apollo Textile Mills	5.19	0.02 123.82

Mill land - Industrial Rate
Surplus land Commercial Rate